ANNUAL REPORT

for the fiscal year
ending March 31, 1985

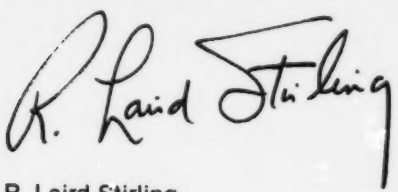
Department of Consumer Affairs

The Honourable Alan R. Abraham
Lieutenant-Governor
Province of Nova Scotia

May It Please Your Honour:

I have the honour to present to you the Annual Report of the Department of Consumer Affairs for the fiscal year ending March 31, 1985.

Respectfully submitted



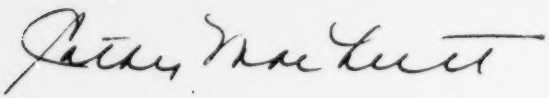
R. Laird Stirling

The Honourable R. Laird Stirling
Minister of Consumer Affairs
Province of Nova Scotia
Halifax, Nova Scotia

Sir:

I take pleasure in presenting to you a report of the activities of the Department of Consumer Affairs for the year ending March 31, 1985.

Respectfully submitted



Cathy MacNutt

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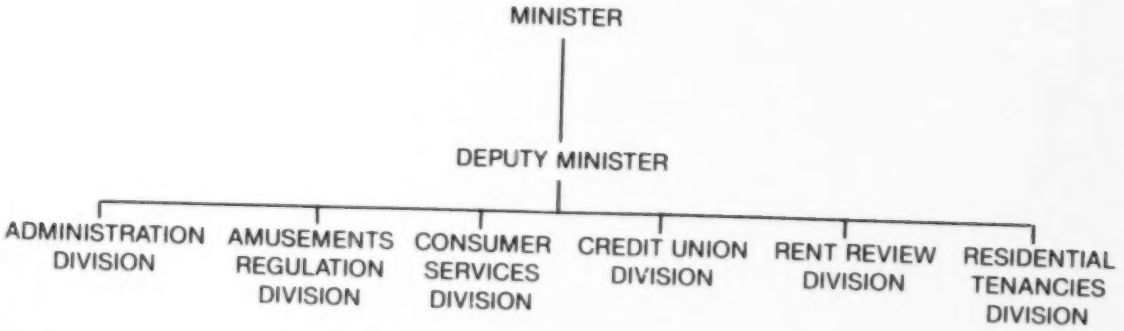
NOVA SCOTIA DEPARTMENT OF CONSUMER AFFAIRS



ACTS ADMINISTERED BY THE DEPARTMENT OF CONSUMER AFFAIRS

- The Cemetery and Funeral Services Act
- The Collection Agencies Act
- The Condominium Act
- The Consumer Creditors Conduct Act
- The Consumer Protection Act
- The Consumer Reporting Act
- The Consumer Services Act
- The Credit Union Act
- The Direct Sellers' Licensing and Regulation Act
- The Embalmers and Funeral Directors Act
- The Instalment Payment Contracts Act
- The Loan Companies Inspection Act
- The Mortgage Brokers and Lenders Registration Act
- Part X of the Bankruptcy Act (Federal)
- The Public Accountants Act
- The Real Estate Brokers' Licensing Act
- The Rent Review Act
- The Rental Property Conversion Act
- The Residential Tenancies Act
- The Tax Rebate Discounting Act (Federal)
- The Theatres and Amusements Act
- The Unconscionable Transactions Relief Act

GENERAL SUMMARY

The 1984-85 fiscal year saw a continued increase in the requests for information and services from the consumer and corporate communities of Nova Scotia. In statistical terms, the Department's offices received approximately 180,000 telephone calls, which represented a 22.5 per cent increase in volume over that of the prior year. The number of visitors to our various offices increased 11 per cent above that of the previous year, to approximately 22,200. When combined, this activity represents an average of 809 daily contacts with our offices, excluding mail received.

The Department now administers 20 provincial and two federal statutes. Although the Department must administer the regulatory aspects of this legislation, this is accomplished in a major way through providing information to consumers and businesses alike so as to decrease the requirement for enforcement.

The Department is organized into six divisions: Administration, Amusements Regulation, Consumer Services, Credit Union, Rent Review and Residential Tenancies. Each division, with the exception of Administration, is responsible for the direct application of various statutes. Increasingly throughout the year, the Department broadened the basis of information available throughout our various regional offices.

The Amusements Regulation Division licensed 507 retail video outlets during the 1984-85 fiscal year. Effective June 1, 1984, regulations required video film to be identified by classification stickers at retail outlets prior to being rented or sold to the public.

Cemetery and Funeral Services legislation was also implemented during the year, providing greatly improved protection, particularly with respect to prepaid funeral services.

ADMINISTRATION DIVISION

At the centre of the Department is the Administration Division, which prepares and controls budgets, establishes economical utilization of space and equipment, serves as a liaison with other government departments, such as Government Services and the Civil Service Commission, and provides a research and communications resource to its fellow divisions, as well as to other departments and the public.

Services of the research and communications program are provided to all staff through an expanded library. Information from other governments and consumer organizations is readily available to staff for their own use and also in answering inquiries.

The Division continues its interest in, and support of, the various groups operating in the private sector; participates in seminars and displays in cooperation with those groups; and in the fiscal year provided $3,500 in the form of a grant to assist the local branch of the Consumers Association of Canada in its activities.

AMUSEMENTS REGULATION DIVISION

A general increase in revenue from amusement tax was experienced in this fiscal year except in the pari-mutuel tax area. This revenue increase resulted from amusement tax on cable television services, as well as a general increase in ticket prices and new licensing activity in such areas as video rental outlets.

While there was a slight decline in the number of 35 mm and 16 mm films submitted for classification, there was a notable increase in classification of video cassette film. This shift represents a change in moving picture technology and an increased work load for the Amusements Regulation Board.

The shift in technology is further reflected by a slight decline in the number of licenses issued in all traditional areas related to theatres. Against this decline, 507 video retail licenses were granted. This is the first year such licenses were issued.

Effective June 1, 1984 all video cassette material previously classified by the Board must have the rating indicated by means of identification stickers. All video outlets and the general public were provided with a catalogue of classification of all film titles viewed by the Amusements Regulation Board from 1960.

In March, 1985 the Minister introduced legislation in the House of Assembly that would require the classification by the Amusements Regulation Board of all videos rented to the public.

CONSUMER SERVICES DIVISION

From its origin in 1965, as a four-person operation under the Provincial Secretary, the Division now has three distinct sections: Business Practices, Debtor Assistance and Regulated Industries. Each of these sections has a vital role to play in serving the consumers of Nova Scotia.

The Business Practices Section processed 24,913 consumer complaints and inquiries in the 1984-85 fiscal year. In addition, more than 400 lectures, mall displays and other public information activities were undertaken by staff of the Division.

The Debtor Assistance Section provided financial counselling to 2,183 households and administered 915 consolidation orders issued under the Orderly Payments of Debts Provisions, Part X of the Federal Bankruptcy Act. A total of 273 new consolidation orders were issued and 408 referrals to bankruptcy made during this fiscal period.

The Regulated Industries Section processed 5,806 licenses and registrations in 1984-85, an increase of 55 per cent over those processed last year. This increase was partly due to a change in licensing renewal dates. There were 966 applicants examined as part of their qualification for licenses. The licensing program administered by the Division includes industries such as real estate and mortgage brokers, collection agencies, direct sellers, funeral homes, cemeteries and consumer reporting agencies.

Revenue of $188,891 in licensing, registration and examination fees were obtained through this section's activities in the fiscal year. As part of the enforcement program, 78 staff-days were spent conducting audit inspections of various firms.

Communication is maintained with all regulated industries, other levels of government, business and consumer groups and the public.

One of the more significant projects of the Division during the fiscal year was the implementation of the Cemetery and Funeral Services Act and the licensing of sellers of pre-arranged funeral services and pre-need cemetery plans. This legislation is very com-

prehensive and provides vastly improved protection to consumers with respect to money paid in trust to these sellers.

Fourteen investigations were conducted, some involving cooperation with other enforcement agencies, and resulted in a variety of remedial actions being taken.

Staff of the Consumer Services Division, at the request of the Board of Registration of Embalmers and Funeral Directors, investigated the activities of Mr. R.D. Lindsay and the R.D. Lindsay Funeral Homes Ltd. Evidence was obtained that resulted in charges being laid against Mr. Lindsay for fraud and attempted fraud in relation to unauthorized casket substitution. At a preliminary hearing, enough evidence was presented to proceed to trial, to be held in the fall of 1985. As a result of the Department's findings, the funeral home licenses for the Halifax and Bedford locations were revoked by the Minister.

The Consumer Services Division embarked on a rather unusual enterprise with respect to Hillcrest Memorial Gardens Ltd., a cemetery located in Lower Sackville, Nova Scotia. As a result of the inability of the owner to continue operating the cemetery, the Division assumed responsibility for daily operations and basic maintenance until a new owner or operator could be found. At year end the Division was still providing these necessary services.

CREDIT UNION DIVISION

Touching on the economic lives of more than 150,000 Nova Scotians, one of our province's oldest and best known financial institutions, the credit union movement, is provided with inspection services on an annual basis by the Credit Union Division.

Inspections are carried out by the Division generally without warning, and sometimes on request, to provide members with an independent review of the operations of their credit union and to ensure compliance with the Credit Union Act.

A total of 107 credit unions operated in the province during the 1984 calendar year, with a membership of 154,996 and combined assets of $277 million, up from $242 million a year earlier.

The Division liaises with the Credit Union Central of Nova Scotia (formerly the Nova Scotia Credit Union League) and the Nova Scotia Credit Union Stabilization Fund Board.

All credit unions received complete inspections during the year. In addition, the Division maintained an ongoing program of partial inspection and follow-up where problems were identified.

During the year the Leverman Credit Union was fully wound up. This credit union actually ceased to do business early in 1980 following the discovery by Credit Union Division inspectors of fraudulent activities. Criminal charges were laid and prosecution ensued. All members of this credit union received full repayment of deposits through the bonding insurance and the Nova Scotia Credit Union Stabilization Fund.

The Seal Harbour Credit Union was dissolved during the year at the request of its members because there was not sufficient interest in the community to continue operations. There was one amalgamation whereby the Kent Credit Union and the Kentville Government Employees Credit Union merged to continue as the Kent Credit Union.

RENT REVIEW DIVISION

The Rent Review Act, which has been in effect since 1975, provides for a percentage guideline in which rents may increase in a calendar year without the necessity of a review, and sets out a process of review by the Division for increases in excess of the guideline amount.

The Division processed 39,733 applications for rental increase during the calendar year 1984, 2.8 per cent less than during the 1983 calendar year. The number of applications received requesting increases in excess of the guideline decreased by 48.1 per cent from the previous year. The decline in the number of applications can be accounted for by lower interest rates and stabilized inflation rates.

A legislative change to the Residential Tenancies Act in June, 1984, allowing only one increase per twelve-month period, was another factor contributing to the decline in total applications received. Prior to this amendment, landlords could apply for the guideline increase to take effect at any point throughout the calendar year and make application for a further increase to take place at a later date, subject to approval by an officer.

The number of officers' decisions appealed to the Rent Review Commission also dropped between 1983 and 1984 from 17.1 per cent to 11.7 per cent. The primary reason for this decrease is that in 1983 all parties were allowed access to the information and reasons for the officers' decisions. By knowing how the officer arrived at a particular conclusion, the parties could better assess the possibility of the Commission revising the decision.

RESIDENTIAL TENANCIES DIVISION

The Division is responsible for the Residential Tenancies Act and its day-to-day administration. It coordinates the activities of the eight appointed Residential Tenancies Boards and administers business matters pertaining to the Condominium Act and the Rental Property Conversion Act.

The Residential Tenancies Act establishes guidelines, rights and remedies for landlords and tenants with respect to rented residential premises. Disputes between landlords and tenants are documented by a written complaint and assigned to a Residential Tenancy Officer for mediation.

After mediation by an officer, if there is no agreement the dispute is referred to a board, and a summary application to the County Court must be completed by the applicant. The County Court refers the matter to a Residential Tenancies Board for a hearing. A report containing recommendations is made by the Board to the County Court.

During the fiscal year, 4,230 complaints were received by all boards, a 16 per cent increase above the number received during 1983-84. Seventy per cent of these complaints were from the Halifax and County West and Dartmouth and County East Residential Tenancies Boards. Approximately 64 per cent of the complaints were mediated, with the remainder being referred to the boards for disposition.

For more than a decade since its enactment, only a few condominiums have been incorporated in any one year. In fact, by 1983, only 40 corporations had been registered. During the fiscal year 1984-85, thirteen condominiums were registered involving a total of 230 units.

Nine by-laws or amendments to by-laws were registered during this period. The total amount of revenue generated for registration of corporations and by-laws was $44,587.23.

DEPARTMENT'S FINANCIAL INFORMATION

Program Description	1983-84 Actual	Expenditures 1984-85 Estimate	1984-85 Actual
Administration	343,402	378,400	371,989
Consumer Services	785,608	847,300	829,794
Residential Tenancies	580,628	653,100	673,962
Amusements Regulation	336,695	359,200	363,662
Credit Union	340,586	377,800	397,258
Rent Review	508,571	600,400	577,650
TOTAL	2,895,490	3,216,200	3,214,315

	1983-84 Actual	Revenue 1984-85 Estimate	1984-85 Actual
Consumer Services	174,917	170,700	200,818
Amusements Regulation	2,646,924	4,147,000	4,633,533
Condominiums	23,354	50,000	44,329
TOTAL	2,845,195	4,367,700	4,878,680

STATISTICAL INFORMATION

AMUSEMENTS REGULATION DIVISION

Number of Films Screened by Type of Classification

35 MM Films	1984/85	1983/84
General	20	24
Adult	111	109
Restricted	79	103
Rejected	0	4
TOTAL	210	240

16 MM Films	1984/85	1983/84
General	0	0
Adult	5	8
Restricted	0	2
Rejected	0	0
TOTAL	5	10

Video Films	1984/85	1983/84
General	43	21
Adult	98	52
Restricted	5	3
Rejected	0	0
TOTAL	146	76

Origin of 35 MM Films Classified
April 1, 1984 to March 31, 1985

Country	1984/85	1983/84
United States	161	148
Great Britain	7	21
Canada	7	19
France	7	3
Italy	0	3
West Germany	0	3
Japan	2	1
Russia	1	0
Greece	0	1
Austria	3	0
Other	22	41
TOTAL	210	240

Number of Licenses Issued, 1984/85 to 1983/84

Films and Theatres	1984/85	1983/84
Theatres	67	68
Projectionists	120	130
Apprentice Projectionists	11	28
Projection Machines	81	83
Film Exchanges	25	48
Film Certificates	895	1,015
Other Licenses Issued		
Itinerant	7	10
Race Tracks (Horse)	5	5
Festivals (Outdoor)	7	10
Places of Amusement (rinks, arcades, pool halls, bowling, bingo halls, go-cart tracks, amusement parks, etc.)	558	644
Video Outlets	507	0
TOTALS	2,283	2,041

Attendance
By Type of Event

	1984/85	1983/84
Theatres (movie and live)	2,259,410	2,514,919
Itinerant shows	1,048,714	608,772
Lounges, beverage rooms and cabarets	1,538,504	1,228,311
Boxing, hockey, wrestling and other professional sports	250,914	331,975
Horse racing	70,689	104,995
Sundry amusements *	244,315*	265,284
TOTAL	5,412,546	5,054,256

*roller skating deleted

CONSUMER SERVICES DIVISION

Percentage of Complaints by Type
April 1, 1984 to March 31, 1985

Type	Per Cent
Automobiles	17
Consumer goods & services	16
Contractors	9
Direct sellers	7
Appliances	7
Collection agencies	5
Mail order	5
Clothing & footwear	3
Home Furnishings, rugs & drapes	3
Cemeteries	3*
Other	25
TOTAL	100

*For 9 months only; not previously recorded separately.

Debtor Assistance
April 1, 1984 to March 31, 1985

Interviews	2,183
Consolidation orders issued	273
Referrals to bankruptcy	408
Consolidation orders in effect	915

Regulated Industries
April 1, 1984 to March 31, 1985

Licenses & registrations issued	5,806
Examinations	966
Licensing revenue	188,891

RESIDENTIAL TENANCIES DIVISION

Activity Breakdown
April 1, 1984 to March 31, 1985

	Information Requests		
	Telephone	In Person	Complaints
Halifax & County West	13,985	2,410	1,893
Dartmouth & County East	8,617	2,521	1,090
Northern Counties	2,627	568	422
Annapolis Valley	1,917	284	253
Cape Breton & Victoria Counties	2,307	542	232
Western Counties	1,578	833	463
South Shore	988	463	88
Strait & Eastern Counties	383	101	68
TOTAL	32,402	7,722	4,230

Complaints by Type*
April 1, 1984 to March 31, 1985

Type of Complaint	Number	% of Total
Unpaid Rent	1,127	27
Damages	256	6
Utilities	26	1
Unduly Interfering	162	4
Entry Doors	25	1
Non-return of Security Deposit	855	20
Condition of Premises	438	10
Notice to Quit	671	16
Deletion of Services	215	5
Rent Increase	69	2
Other	386	8
TOTAL	4,230	100

*The total number of complaints mediated was 2,689, or 64 per cent of total complaints received.

Complaints Filed
April 1, 1984 to March 31, 1985

	Landlord	Tenant	Total	% of Total Complaints
Halifax & County West	708	1,185	1,893	45
Dartmouth & County East	563	527	1,090	26
Northern Counties	229	193	422	10
Annapolis Valley	134	119	253	6
Cape Breton & Victoria Counties	93	139	232	5
Western Counties	76	108	184	4
South Shore	42	46	88	2
Strait & Eastern Counties	36	32	68	2
TOTAL	1,881	2,349	4,230	100

CREDIT UNION DIVISION

Number of Credit Unions and Membership by County as of December 31, 1984

County	Number of Credit Unions	Membership	Percentage of Total Membership by County
Annapolis	2	1,644	1.1
Antigonish	5	16,521	10.7
Cape Breton	13	31,602	20.4
Colchester	5	3,533	2.3
Cumberland	3	2,854	1.8
Digby	5	3,353	2.2
Guysborough	5	1,060	0.7
Halifax	29	47,016	30.3
Hants	6	8,863	5.7
Inverness	8	12,365	8.0
Kings	3	6,103	3.9
Lunenburg	2	3,445	2.2
Pictou	3	2,113	1.4
Queens	2	855	0.5
Richmond	7	8,184	5.3
Victoria	3	703	0.4
Yarmouth	6	4,782	3.1
TOTAL	107	154,996	100.0

Nova Scotia Credit Unions
Purpose of Loans
for the Year Ending December 31, 1984
(In thousands of dollars)

	Number	Amount
Consolidation of debts	9,668	27,080
Auto purchases and repairs	13,873	49,942
Insurance premiums	1,764	670
To make investments	654	1,625
Education	840	931
Medical and dental	663	501
Taxes	1,221	1,441
Holidays	2,282	2,766
Home repairs and renovations	6,800	15,928
Purchase of real estate		
New housing	525	11,079
Used housing	743	11,292
Farm	6	22
Other	555	2,758
Purchase of equipment		
Household	2,805	3,422
Farm	142	697
Fishing	114	423
Other	592	1,708
Operating expenses		
Household	1,908	1,061
Farm	211	1,053
Fishing	104	265
Other	1,884	3,565
Miscellaneous loans	26,697	32,180
TOTAL	74,051	170,409

Nova Scotia Credit Unions
Consolidated Balance Sheet
December 31, 1984
(with comparative figures for 1983)

	1984		1983	
	$'000	%	$'000	%
ASSETS				
Cash and demand deposits	18,918	6.8	15,868	6.6
Investments				
— Central	29,723	10.7	23,611	9.8
— Central subsidiaries	14,499	5.2	14,524	6.0
— Other	8,919	3.2	3,813	1.6
Loans to members	195,435	70.5	176,339	72.9
Land and buildings	2,939	1.1	2,995	1.2
Furniture and equipment	1,558	0.6	1,315	0.5
Accrued interest	2,045	0.8	1,978	0.8
Other	3,136	1.1	1,419	0.6
TOTAL ASSETS	277,172	100.0	241,862	100.0
LIABILITIES				
Deposits				
— Chequing	27,299	9.9	22,763	9.4
— Demand	58,927	21.3	51,980	21.5
— Term	44,372	16.0	37,727	15.6
— RRSP	26,366	9.5	23,001	9.5
— RHOSP	1,781	0.6	1,670	0.7
Total Deposits	158,745	57.3	137,141	56.7
Accounts payable	5,543	2.0	5,729	2.4
Loans payable	5,473	2.0	4,635	1.9
Other	432	0.1	689	0.3
	11,448	4.1	11,053	4.6

Nova Scotia Credit Unions
Consolidated Balance Sheet
December 31, 1984
(with comparative figures for 1983)
(continued)

	1984		1983	
	$'000	%	$'000	%
EQUITY				
Members shares	92,161	33.3	87,011	36.0
Guaranty fund reserve	6,122	2.2	5,352	2.2
Other reserves	2,292	0.8	4,754	2.0
Undistributed earnings	6,404	2.3	(3,449)	(1.5)
	106,979	38.6	93,668	38.7
TOTAL LIABILITIES AND EQUITY	277,172	100.0	241,862	100.0

Nova Scotia Credit Unions
Consolidated Statement of Revenue Expense
and Undistributed Earnings
for the Year Ending December 31, 1984
(with comparative figures for 1983)

	1984		1983	
	$'000	%	$'000	%
REVENUE				
Interest				
— Loans	27,321	79.8	24,102	79.2
— Investments	4,113	12.0	3,947	13.0
Total interest	31,434	91.8	28,049	92.2
Other revenue	2,814	8.2	2,389	7.8
TOTAL REVENUE	34,248	100.0	30,438	100.0
EXPENSE				
Interest				
— Deposits	10,938	31.9	9,495	31.2
— Borrowings	655	1.9	388	1.3
Total Interest Expense	11,593	33.8	9,883	32.5
Member security	2,093	6.1	1,889	6.2
Personnel	6,803	19.8	6,388	21.0
Occupancy	1,118	3.3	1,073	3.5
Other operating expense	4,070	11.9	4,213	13.8
Guaranty fund reserve	1,362	4.0	1,480	4.8
Provision for dividends	1,361	4.0	1,022	3.4
TOTAL EXPENSE	28,400	82.9	25,948	85.2

Nova Scotia Credit Unions
Consolidated Statement of Revenue Expense
and Undistributed Earnings
for the Year Ending December 31, 1984
(with comparative figures for 1983)
(continued)

	1984		1983	
	$'000	%	$'000	%
SURPLUS				
— before income tax	5,848	17.1	4,490	14.8
Income tax	214	0.6	—	—
SURPLUS				
— after income tax	5,634	16.5	4,490	14.8
Undistributed earnings				
January 1	(3,449)		(2,872)	
Adjustments	8,874		44	
	11,059		1,662	
Allocations to reserves	371		398	
Dividends and other distributions to members	4,284		4,713	
	4,655		5,111	
UNDISTRIBUTED EARNINGS DEC. 31	6,404		3,449	

RENT REVIEW DIVISION

Total Number of Applications Received, Calendar Years 1984 and 1983

	1984	%	1983	%
Over annual guideline	14,217	36	27,419	67
Under annual guideline	25,516	64	13,445	33
TOTAL	39,733	100	40,864	100

Comparison of Applications Received Calendar Years 1984 and 1983

	1984	1983	% Increase
Total Applications	39,733	40,864	- 2.8
Over 6% Guideline	14,217	27,419	-48.1
Under 6% Guideline	25,516	13,445	89.8
Decisions Rendered by Residential Tenancy Officer	2,075	2,814	-26.3
Number requests for review to Rent Review Commission	243	480	-49.4
Percentage of Officers' Decisions Appealed	11.7	17.1	

Number of Applications Received by Major Areas* in 1984 and 1983 (Includes those within 6% guideline)

	1984	1983
Halifax	30,147	30,867
Truro	3,202	3,469
Sydney	1,876	1,916
Kentville	2,395	2,449
Bridgewater	1,244	1,213
Yarmouth	869	950
TOTAL	39,733	40,864

*Areas include municipalities and counties surrounding defined centre.

CONSUMER AFFAIRS OFFICES

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New Glasgow, Nova Scotia
B2H 5E3

Provincial Building
MacSween Street
P.O. Box 624
Port Hawkesbury, Nova Scotia
B0E 2V0

Provincial Building
99 High Street
Bridgewater, Nova Scotia
B4V 1V8

Provincial Building
120 Exhibition Street
Kentville, Nova Scotia
B4N 4E5

Provincial Building
James Street
Antigonish, Nova Scotia
B2G 1R6

Provincial Building
10 Starrs Road
Yarmouth, Nova Scotia
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58 Willow Street
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